



July 27, 2004

Ms. Marlene H. Dortch
Secretary
Office of the Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Section 272(f)(1) Sunset of the BOC Separate Affiliate and Related Requirements; 2000 Biennial Regulatory Review Separate Affiliate Requirements of Section 64.1903 of the Commission's Rules – WC Docket. No. 02-112; CC Docket. No. 00-175.

Dear Ms. Dortch:

On July 23, 2004, Laurel Kamen of the American Express Company and the undersigned, on behalf of the Ad Hoc Telecommunications Users Committee ("Ad Hoc"), met with Michael Carowitz, Ben Childers, William Cox, Bill Dever, Kimberly Jackson, William Kehoe, and Jon Minkoff of the Competition Policy Division in the Wireline Competition Bureau to discuss the proceedings referenced above.

The participants discussed the issues raised by Ad Hoc in its written pleadings filed in the referenced dockets. In addition, the participants discussed the experiences of Ad Hoc members who have sought out interstate long distance service from incumbent local exchange carriers or who have been approached by those carriers regarding their provision of that service. The information provided in the meeting regarding the marketplace experiences reported by Ad Hoc members is listed and described in the attachment hereto.



Pursuant to Section 1.1206(b) of the Commission's Rules, 47 C.F.R. § 1.1206(b), copies of this letter and attachments have been filed with the Office of the Secretary.

Sincerely,

A handwritten signature in black ink that reads 'Colleen Boothby'. The signature is fluid and cursive, with the first name 'Colleen' and last name 'Boothby' clearly distinguishable.

Colleen Boothby

Counsel for
Ad Hoc Telecommunications Users
Committee

Attachment

cc: Michael Carowitz
Ben Childers
William Cox
Bill Dever
Kimberly Jackson
William Kehoe
Jon Minkoff

Ad Hoc Telecommunications Users Committee

Meeting with FCC

July 23, 2004

WC Docket No. 02-112

CC Docket No. 00-175

Deciding that these carriers can be classified as non-dominant now is akin to deciding that someone will never get a speeding ticket by watching them pull the door shut on a sports car; it is simply too early to tell. –*Ad Hoc Comments at 14.*

- I. Generally,
 - A. Market power in local markets overhangs interexchange market
 - B. Two- to three-year horizon for competition in enterprise customer market is grim
 - C. BOCs have not pursued enterprise customer LD business until recently
 - D. BOCs are demanding Tier 1 prices for Tier 3 service and support
- II. Specifically,
 - A. Marketing efforts are poor
 - a. Infrequent RFP responses
 - b. Pro-active marketing contacts are sporadic, lack follow-through
 - B. Pricing is too high
 - a. Transport prices are aggressive
 - b. But higher access prices make end-to-end prices non-competitive
 - c. Unwilling to negotiate lower contract tariff rates for access
 - C. Terms and conditions are often unreasonable; are outliers per market norms
 - D. Unwilling or unable to negotiate flexibly, claiming constraints of “company policy”
 - E. Service quality
 - a. Ordering, provisioning, billing systems are inadequate, inaccurate, “pathetic”
 - i. Orders lost or delayed
 - ii. Provisioning delayed or defective (wrong equipment, wrong settings)
 - b. Bills filled with errors; BOCs resist and/or delay corrections
 - c. Poor integration and interconnection of network partners for out-of-region services
 - F. Service and feature availability
 - a. Suite of services, features, and functions inadequate
 - b. National and international coverage spotty
 - c. In-region services not centralized
 - G. Account team support
 - a. Unreliable
 - b. Inexperienced
 - c. Ineffectual